

Solicitation of Offers: For the Development of the Strand Theater (5131 Nannie Helen Burroughs Ave., NE)

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The Government of the District of Columbia (“District”), through the Office of the Deputy Mayor for Planning and Economic Development (“ODMPED”), invites developers with experience in small to medium scaled development (“Offerors”) to respond to this Solicitation of Offers (“Solicitation”). The purpose of the Solicitation is to identify Offerors who have a creative vision, demonstrated experience, and the organizational and financial capacity to plan and implement a mixed-use development at the Strand Theater. Responses to this Solicitation are due by Monday, January 7, 2008, at 4:00 PM EST.

1. INTRODUCTION

1.1 Development Opportunity

ODMPED is responsible for implementing housing and economic development initiatives and policies on behalf of the Mayor of the District of Columbia.

ODMPED, on behalf of the District, invites highly qualified development teams with demonstrated experience and commitment to delivering mixed-income and mixed-use development, to respond to this opportunity to provide a catalytic project that will aide in the revitalization of this Northeast commercial corridor in Ward 7. The Strand Theater is located at 5131 Nannie Helen Burroughs Ave., NE in the Deanwood community, right at the intersection of Nannie Helen Burroughs and Division Ave, NE. The Strand is a two story brick building that was built in 1928 and originally served as a community movie house that seated approximately 600 people and incorporated a dance hall and pool room on the main level.

The District intends to identify a single Offeror/development team with whom to enter into negotiations for the disposition, either through sale or a ground lease. The District seeks development teams experienced in working with multiple municipal entities and community stakeholders in a transparent and collaborative process, to implement the Community’s vision and the goals and needs of the District for the site. **The District will look very favorably at Offerors who demonstrate the ability to bring additional development resources and/or additional parcels of land to the table and are encouraged to maximize development on the site.**

Offers submitted in response to this Solicitation should incorporate the goals of the Great Streets Initiative, the Lincoln Heights New Communities Plan and objectives of the Deanwood Strategic Development Plan (Draft October 2007).

1.2 Neighborhood Context

Deanwood is one of Washington’s oldest communities; much of its housing stock dates from the early 20th century. Several well-known African-American architects, including W. Sidney Pittman and Howard D. Woodson, and many skilled local craftsmen designed and built homes in this community. The neighborhood was once home to Nannie Helen Burroughs, an early civil rights leader and the founder of the National

Training School for Women and Girls, an independent boarding school for African-American girls founded in 1909 and located on 50th Street NE. from 1921 to 1940. Deanwood was also home to Suburban Gardens (50th and Hayes NE), a black-owned amusement park that served thousands of African-American residents during a time of racial segregation.

Over the past 40 years however, much of Deanwood has suffered from disinvestment, which has caused the residences and commercial corridor along Nannie Helen Burroughs to struggle. In an effort to eradicate the blight and underinvestment, the District government has lead to the creation of several immediate and long range revitalization efforts for the community. The goal of each plan is to revitalize the housing and commercial stock and to improve the human capital assets within Deanwood. Specifically, there are three plans that relate directly to these goals and objectives, all of which include development recommendations for the commercial node at Division and Nannie Helen Burroughs Avenue NE., where the Strand Theater is located. Those plans are:

- 1.) The Great Streets Initiative Framework Plan, Nannie Helen Burroughs NE
http://ddot.dc.gov/ddot/cwp/view,a,1249,q,637927,ddotNav_GID,1754,ddotNav,l34241l.asp
- 2.) Lincoln Heights New Communities Plan
<http://planning.dc.gov/planning/cwp/view,a,1285,q,639012.asp>
- 3.) The Deanwood Strategic Development Plan (Draft October 2007)
Email: evelyn.kasongo@dc.gov Neighborhood Planning Coordinator – Ward 7 or
<http://planning.dc.gov/planning/cwp/view,a,1285,q,641091.asp>

A. Great Streets

The District of Columbia’s **“Great Streets Initiative”** is a multi-year, multiple agency effort to transform under-invested corridors into thriving and inviting neighborhood centers by using public actions and tools to leverage private investment dollars. Both the ODMPED and the District Department of Transportation (DDOT) have partnered on this process to strategically use capital funds to leverage change. **Nannie Helen Burroughs Avenue NE** from Minnesota Ave to Eastern Ave, NE will undergo \$5.5 Million in infrastructure improvements/upgrades to include the redesign of the streetscape and roadway configurations, identifying opportunities along the corridor for more tree plantings, streetlight enhancements, traffic signals and continuing the network for pedestrian and bicycler mobility.

“Great Streets Initiative” is also working with small business owners along the corridor to provide façade improvement grants to enhance storefront appearances and business signage. The façade improvement project is scheduled to be completed by the end of August, 2008.

B. New Communities

In 2006, Lincoln Heights and Richardson Dwellings were designated “New Communities” under the Mayor’s New Communities Initiative. This initiative is a comprehensive partnership designed to improve the quality of life for families and individuals living in distressed neighborhoods in Washington, D.C. The New Communities objective is District-sponsored redevelopment of the physical and human architecture of neighborhoods troubled by concentrations of violent crime and poverty. The residents in these neighborhoods face many challenges, such as poor education, lack of access to quality job training, high unemployment, lack of viable housing options and a lack of businesses and institutions needed to sustain the community.

The New Communities Initiative will fight these conditions by transforming highly concentrated low-income neighborhoods into healthy mixed-income neighborhoods that protect housing for low income residents with a one-for-one replacement of existing affordable housing around improved community anchors, such as schools and recreation centers. Equally important, the New Communities Initiative focuses on the redevelopment of social infrastructure through linkages to job training, asset building, counseling and other supportive human services.

The District will be investing over \$559 million into the redevelopment of the Lincoln Heights and Richardson Dwelling “New Communities” to create new housing, retail, offices and community amenities. Lincoln Heights New Communities Planning Area : *Appendix A*

C. Deanwood Strategic Plan

In early 2006, the Office of Planning, in conjunction with the Office of the Deputy Mayor for Planning and Economic Development (ODMPED) and the District Department of Transportation (DDOT) was charged with creating a plan for Deanwood as part of the Great Streets Initiative. The primary purpose of the Deanwood Strategic Development Plan is to provide clear policy direction for land use and development within Deanwood and its major corridors. It proposes future land use and provides guidelines for development related to development intensity and other development characteristics. The plan offers development concepts for selected focus areas that represent a range of development opportunities throughout the project area.

The Deanwood Strategic Development Plan was created as a complementary piece to the District of Columbia’s Comprehensive Plan for the Deanwood study area. Plan recommendations take into consideration policies from the comprehensive plan. Within the study area, designated land use features include: Regional Centers, Main Street mixed-use corridors, and Neighborhood commercial centers. The plan does not propose any significant changes to these comprehensive plan designations; however, it

adds definition to the area specific guidance of the comprehensive plan through the addition of a future land use map.

The project area consists of Eastern Avenue to the Northeast, 55th Street NE to the East, Marvin Gaye Park to the South, and Kenilworth Avenue/CSX railway to the West. Contained within the project area are Nannie Helen Burroughs and Minnesota Avenues, both of which have been identified as Great Streets. This plan combines community aspirations with professional research and analysis to set a framework for how Deanwood will improve over the next ten years. Deanwood Planning Area:
Appendix B

2 . SITE OVERVIEW

2.1 Property Description

The Strand Theater is bound by Nannie Helen Burroughs Avenue NE to the north and Division Avenue NE to the east. There is a vacant commercial building attached to the theater to the west and an alley to the south. Just a short walk from the theater is the Marvin Gaye Park, which is also undergoing a major redevelopment that includes upgraded walking trails and an amphitheater. The Strand Theater is comprised of a two-story space at the South side of the building and, at the North side, two stories above grade and a partial basement below. The plan indicates that the building is wider at the front (North) end and narrows towards the back. The building adjacent to the Strand Theater is a two story building with a basement. It consists of load-bearing brick walls with wood floor joists spanning East-West between exterior walls and a line of interior support.

This past summer the ODMPED, contracted Bell Architects, PC to perform a structural analysis of the Strand Theater, as well as, the adjacent vacant commercial building (5127 Nannie Helen Burroughs Ave. NE). For each site Bell Architects, PC made repair recommendations and conducted a structural evaluation of the roof and floor framing, foundation and façade. Bell also examined the feasibility of a vertical expansion or a second story infill for possibly housing or office.

All respondents to this Solicitation are strongly encouraged to thoroughly read the Strand Theater existing conditions and structural analysis report (July, 2007 Bell Architects, PC). ***Appendix C*** online at www.dc.biz.gov to view the report.

An aerial photograph of the site is delineated below.



2.2 Ownership

The property is owned by the District and will be conveyed either through sale or a ground lease, in conjunction with a development agreement in “as-is” condition, without warranty by the District as to physical condition of the land or structure. The District makes no representations regarding the character or extent of soil or subsurface conditions or the conditions and existence of utilities that may be encountered during the

course of any redevelopment. Each Offeror should draw its own conclusions concerning conditions that may affect the methods or cost of redevelopment.

2.3 Physical Description

The general parameters of the site are as follows:

Property Address:	5131 Nannie Helen Burroughs Ave., N.E. Washington, D.C. 20019
Legal Description:	Square 5196/Lot 801 (the “Property”)
Lot Size:	5,936 square feet
Gross Building Area:	8,282 square feet
Lot Occupancy:	Approximately 0.94
Zoning:	* C-1 (Commercial)
Historic Designation:	*Pending

Note:

1.) Lincoln Heights New Communities Plan supports C2B zoning designation at this site. It is anticipated that any changes to the existing height and density limits will be pursued through the Planned Unit Development process and reviewed by the Zoning Commission.

2.) The Strand has not been designated as a historic landmark but there is a pending nomination which will probably go before the Historic Preservation Review Board in the Spring of 2008. Additionally, DC Preservation League placed the Strand Theater on its “Most Endangered Places” List for 2007. The District will require that any redevelopment of the site treat the Property as if it was already designated.

2.4 Pricing Proposal Preferences

Preference will be given to offers that include a pricing proposal that provides economic benefit to the District. Preference will be given to Offerors that put significant capital “at risk” during the development process. Each Responsive Offer shall contain a funding plan that includes a detailed development budget for the proposed development plan(s) that includes proposed sources and uses of funds. For each source of funds, the Offeror should include documentation validating that the proposed source of funds is committed for this project. Preference will be given to Offerors who can document commitments for funding. An Offeror shall not include in its funding plan, funds from the District operating or capital budget (unless appropriated for such purpose on a multi-year basis) or unidentified federal funding.

2.5 Zoning

The site is currently zoned C-1, however, the Lincoln Heights New Communities Plan supports C-2-B zoning along Nannie Helen Burroughs and Division Avenues, NE. It is anticipated that any changes to the existing height and density limits will be pursued through the Planned Unit Development process and reviewed by the Zoning Commission. Offerors should review all applicable District of Columbia Zoning regulations. Please refer to Title 11 of the District of Columbia Municipal Regulations (“DCMR”) for a complete list of zoning provisions and requirements. Offerors may elect to develop the properties to conform to the existing zoning designation, or to apply for a zoning variance, special exception or Planned Unit Development (PUD). The Offeror shall detail its zoning strategy in its offer.

Additional information regarding existing zoning and pending changes may be obtained from the Office of Planning (<http://planning.dc.gov/planning>).

2.6 Parking

With proposed changes to zoning, careful consideration must be given by the Offerors to the meet parking standards so as to develop a project that is in conformance with zoning requirements.

3. GENERAL PROGRAM REQUIREMENTS

3.1 Community Stakeholders Input

Offerors are encouraged to engage in a meaningful community outreach process to address community concerns. In our planning efforts, the District Government has held several public meetings with the residents during the course of the last year. While there was no single preferred use identified for the Strand, the Community has expressed an overwhelming desire to see the site contain one or more of the following uses:

- A cultural hub to support exhibit space, artistic training programs;
- Neighborhood serving retail or quality eatery;
- Recreation space for the use and enjoyment of neighborhood residents/youth;
- Space for trade/vocational training and educational programs;
- Community meeting space and/or a performance arts center;
- Build a neighborhood that honors its history and heritage as it grows;
- Encourage homeownership and protect affordable housing in the community;
- Identify opportunities for small business growth and development;
- An office incubator for small/local businesses.

Offerors are encouraged to address as many of these concerns/uses as possible when developing their response. Offers should address the restoration of the Strand as a historic building and include uses that will stabilize and enhance the neighborhood.

While the Strand has not been designated as a historic landmark, there is some support amongst community stakeholders in seeing it designated as such.

Offerors may contact the following Historic Preservation representative for additional information:

David Maloney
Acting Deputy Director of Historic Preservation
801 N. Capitol Street, NE, Suite 4000
Washington DC 20002
David.maloney@dc.gov
442-8841

3.2 District Requirements

3.2.1 The District is offering to sell or ground lease the Strand Theater to a single Offeror (although the buildings may have different occupants) for a period of at least seventy-five (75) years or to convey title to the property by special warranty deed. The terms of the disposition and specific covenants running with the land will set forth the development parameters and use restrictions that will affect the Property.

3.2.2 The District will provide access to the Property at a scheduled time for the purpose of allowing prospective Offerors to inspect the property and perform such reasonable studies as may be relevant to formulating a response to this Solicitation. Prospective Offerors should rely on their own surveys, observations, investigations, measurements, inspections, inspection reports, and conclusions in submitting a proposal for the redevelopment of the Property. The District makes no representations in this regard.

3.2.3. Each Offeror is encouraged to engage the Advisory Neighborhood Commission 7C and community members from Lincoln Heights, Richardson Dwellings and Deanwood in developing his or her offers. The District does expect the Offeror to address goals and uses identified by the community and outlined in one or all of the plans that address Deanwood, Lincoln Heights/Richardson Dwelling or the Nannie Helen Burroughs Ave. NE, commercial corridor. (The New Communities Initiative Lincoln Heights Plan, The Great Streets Framework Plan and The Deanwood Strategic Redevelopment Plan)

3.2.3 Offerors are encouraged to maximize development on the site. Offerors shall submit offers for BOTH development scenarios: A (C-1 Zoning) and B (C-2-B Zoning), which shall be considered a single offer for evaluation purposes. In addition, if an Offeror owns or otherwise controls any parcels within or adjacent to the Strand Theater, the Offeror may also include such parcels in its development plan submitted in response to this solicitation. However, site control of the parcels included outside of the

District controlled land must be evidenced by an executed contract or deed as part of the submission to the Solicitation for Offers.

3.2.4 Although ODMPED will make available the existing drawings and documents, **Offerors are expected to do their own due diligence, including design and engineering for the project and will be held accountable for design, cost, and pricing upon submission of a proposal.** Offerors should determine the optimal unit sizes, mix, and program that they believe best responds to the solicitation. Offerors should present in their Offers the development plan Offerors believe will work best to achieve the District's redevelopment goals.

The District makes no representations or warranties about the accuracy or the correctness of the information or assumptions contained in the attached design drawings and documents. By submitting offers to this Solicitation, Offerors will be deemed to have waived any claims and have released the District from any liability that may arise in relation to its design drawings and documents.

3.3 Local, Community, Business and LSDBE Preferences

3.3.1 Preference will be given to offers that submit a detailed apprenticeship program that facilitates placing existing community residents into employment opportunities for the project. The commitment and strategy to develop and implement a local apprenticeship program shall be in accordance under D.C. Official Code §§ 32-1401 et seq. For more information on the District's Department of Employment Services (DOES) apprenticeship program, please visit <http://www.does.dc.gov/does/cwp/view,a,1232,q,618747.asp> or contact DOES Office of Apprenticeship Information and Training.

3.3.2 Preference will be given to offers that include local, neighborhood based businesses as part of the proposal response. Evidence of the inclusion of such businesses shall be by written confirmation which shall include the scope and details of the involvement by the business in the project if the offer is selected.

3.3.3 Preference will be given to offers that include copies of binding Letters of Intent (LOI) between the Developer, LSDBE equity partner. LSDBE development partner and LSDBE contractors.

4. OFFEROR SUBMISSIONS

4.1 The District has established the following submission requirements for Offerors to meet in order for proposals to be deemed responsive to this Solicitation. Responsive Offers shall include a comprehensive and detailed development plan (including concept drawings, if possible), a pricing proposal, community benefits and all information requested in Section 5. Any Offer submitted that is not Responsive, may be rejected. Offerors must submit **six (6) printed copies** of the Responsive Offers to:

ATTENTION: Ayriss T. Scales
Project Manager
Office of Deputy Mayor for Planning & Economic Development
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 317
Washington, D.C. 20004

4.2 While the District, through its ODMPED, may enter into negotiations with one or more Offerors based on offers submitted in response to this Solicitation, this Solicitation does **not** commit ODMPED or the District to select any Offerors or to enter into negotiations with any Offerors that may respond. The District reserves the right to reject any offer it deems incomplete or unresponsive to the submission requirements, to amend this Solicitation or to reject all offers and re-issue a Solicitation at a later date at its sole discretion.

4.3 After review of one or more Offers, the District may request submission of additional information from some or all of the Offerors, within the District's sole discretion.

4.4 Team members may participate in submissions from more than one Offeror. If an Offeror wishes to change the composition of the proposed development team at any time in the selection process after it has submitted its offer to the District, the Offeror must notify the District in writing. The District reserves the right to reevaluate the proposed change to the development team and eliminate it from further consideration. The District will require similar notification and approval rights following award.

5. SUBMISSION REQUIREMENTS

Proposals shall be prepared on standard 8½" x 11" letter-size paper, bound on the long side, with material on one side only and tabs to separate sections. Please respond to each item in the order it is presented in the following section and separate each item with tabs marked to indicate the section/heading. Proposals should be no more than 25 pages excluding appendices; use site plans, tables, charts, etc to the extent possible. Each Offeror is required to also provide upon submission, a letter of credit in the amount of \$20,000. No proposal materials will be returned. The proposal should be organized in the following manner and include the following sections:

A. Development Team Members - The Offeror shall identify the following key team members of the development team: master developer (firm or joint venture partners), Local, Small and Disadvantaged Business Enterprises ("LSDBE") equity and/or development participants as provided in Section 5.F, lead architect, financing team (proposed construction and permanent lenders, major investors, broker and other key

consultants, if any related to the financing plan), and legal counsel. No other team members should be identified. For each team member, Offeror shall identify:

1. Name, address, telephone number, and fax number of each team member, including the identity of each principal, partner, or entity that composes such team member, and such team member's roles or titles within the entity comprising the Offeror;
2. Name, address, telephone number, fax number, and e-mail address of the representative authorized to act on behalf of the Offeror, who will be available to respond to questions or requests for additional information;
3. Identification of any affiliation or other relationship between any of the members of the Offeror and any development company, parent company, or subsidiary;
4. Identification of any personal or professional relationship among or between any members of the Offeror and any person working for, appoint to a position in, or elected to an office of the District or any entity for which there may be a conflict of interest or the appearance of a conflict. The District, in its sole discretion, reserves the right to determine a conflict of interest or the appearance thereof;
5. Satisfactory evidence with respect to the Offeror and its team members that all tax liabilities and other government impositions are current and that there is no ongoing litigation in which the District is a party that relates to any team member as the Offeror or to any other entity or individual having a controlling interest in the entity (or entities) that comprise the Offeror (or, if such litigation exists, the name and civil action number of such litigation and a description of the subject matter of such litigation); and
6. Summary of experience of Offeror or its team members partnering with community groups and institutions during the planning and redevelopment of a community, including a description of the project, the community partnerships and the actions taken to include the community's input.

B. Qualifications and Experience – Offeror shall identify:

1. Three (3) to Five (5) relevant projects, with which Offeror or its team members have had primary involvement, that demonstrate success in large-scale, urban, mixed-use, mixed-income development projects and public-private development partnerships. Offeror should include and District will give preference to projects completed in Washington, D.C. Offeror should include the name and address of each project, a detailed description of the project, the names and telephone numbers of persons familiar with the development who will respond to any inquiries from the District regarding the team member's capabilities and role in each project.

2. List projects with CBE/LSDBE joint ventures and/or partnerships including projects with CBE/LSDBE equity participation, including details of the levels of participation and deal structure.
3. An organization chart and a summary of qualifications of team member's senior-level staff who will be working on this project, including a description of their roles and relevant experience.
4. Status of the Offeror organization (whether a corporation, a non-profit or charitable institution, a partnership, a limited liability corporation, a business association, or a joint venture) indicating under which laws it is organized and operating, and a brief history of the organization and its principals. For any entity required to file reports in the jurisdiction of its formation, include a certificate of good standing for such jurisdiction and a certificate of good standing showing that it is registered in the District of Columbia.
5. A copy of any written agreement/document creating any entity responding to this offer. The principals, partners, or joint-venture partners who are part of the Offeror team must be eligible to transact business with the District of Columbia and in the District of Columbia.
6. References for the Offeror and its team members, including names, addresses and telephone numbers, and a letter authorizing each reference to respond to inquiries regarding the design, financing, and development of prior projects.
7. Such other information Offeror believes will assist the District in evaluating the capabilities of the Offeror, the design architect, and any other team member who will be participating in the development. The District shall request additional information from the authorized representatives, if deemed necessary, to facilitate the consideration of the Offeror's submissions.

C. Development Concept – Offeror shall include the following:

1. Vision: A brief narrative of the overall design concept and vision for the development of the Strand Theater in accordance with the goals of the Deanwood community, the Lincoln Heights New Communities Initiative and/or the Great Streets Initiative.
2. Design: Drawings are required in sufficient detail to represent the design concept and allow the District to evaluate the design quality, compatibility with the historic buildings, and the viability of the renovation plan proposed for the building itself. These submissions should include:
 - a) Schematic building plans (1/8" = 1') showing floor plans, service and loading areas, and parking layout;

- b) Elevations of all facades;
- c) Description of the various materials to be used in the renovation of the theater and any new construction;
- d) Discussion of the District's Historic Preservation Standards and how the proposed redevelopment plan for the theater is consistent with the recommendations of the Standards; and
- e) Description of the extent to which relief/exemption/changes/approvals from zoning, building, or other code requirements that may be necessary.

3. Program:

- a) Proposed development program, including square footage and percentage of total square footage dedicated to specific uses; if expansion, residential rental (include number of units), residential for-sale (include number of units), retail, hospitality, recreational, and any other uses; include the approximate number of parking spaces needed to support the proposed development program;
- b) Offeror's perception of the market within the Lincoln Heights/Deanwood Planning Area for each of the development plan's proposed uses (with the exception of any public uses);
- c) Retail strategy, if any, including the type of retail proposed and the Offeror's strategy for ensuring success of the retail component;
- d) Infrastructure improvement strategy, including the expected infrastructure necessary to complete the proposed development and the Offeror's approach to incorporating this infrastructure into the development plan;
- e) Environmental strategy to ensure project is able to obtain silver certification by the United States Green Building Council Leadership in Environmental and Energy-Efficient Design (LEED) Program.
- f) Transportation/traffic strategy to ensure adherence to transit oriented development concepts and to mitigate any potential traffic issues.

4. Benefits

- a) Description of benefits to the community in response to the identified uses and goals;

- b) Description of the benefits provided to the Strand Theater. (e.g., facility renovations, additions, etc.) which are in compliance with vision and recommendations of the area plans;
- c) Affordable housing strategy, including a commitment to meet the District's affordable housing goals;
- d) Description of the public benefits anticipated from the proposed redevelopment, including construction jobs, permanent jobs, and annual tax revenue to the District of Columbia.

D. Implementation Strategy - Offeror shall identify and describe:

- 1. Any possible enhancements to the Lincoln Heights/Deanwood Planning Area Plans or perceived difficulties implementing the proposed uses as outlined and possible solutions for the perceived difficulties, which may involve providing an alternative mix of uses and/or users (including percentage of residential, public, and retail uses and square footage for each use) or a specific description of a preliminary retail program.
- 2. Phasing plan that describes Offeror's strategy and timing for delivering the various product types and the overall timeline for full development build-out and occupancy;
- 3. Offeror's plan to guarantee the implementation of the development plan, including:
 - demonstrating Offeror's willingness to assume the risk of pre-development work;
 - describing Offeror's phasing plan for the redevelopment; describing Offeror's timetable and milestones for the next 24 months, including ability to mobilize and commence development programming immediately upon selection;
 - describing Offeror's time and financial commitment to guarantee to the District that Offeror's milestones will be met;
 - describing Offeror's property rights on parcels within the footprint, if any;
 - describing Offeror's approach and strategies to working with the community to ensure meaningful involvement in the development process.
 - describing the plan to coordinate planning and development efforts with surrounding land areas to ensure that the Offeror's program is well-integrated into the surrounding community.

E. Financial Capacity, Project Pro Forma and Deal Structure - Offeror shall include the following:

1. A description of the financial capacity of Offeror and its team members, including, but not limited to, annual reports, balance sheets, profit and loss statements, evidence of letter of credit and lines of credit and any such other material financial statements.
2. Proposed investment of Offeror equity into the project to include a description of the nature and share of each team member's financial investment in the redevelopment of the properties.
3. Detailed development budget and schedule (submitted on CD in Excel), including projected costs for construction/rehabilitation/remediation, as well as, a reasonable estimate and articulation of projected soft costs such as architectural fees, engineering fees, marketing costs, financing fees, a summary of the dollar per square foot breakdown of each line item, etc. The schedule should include realistic benchmarks for phases of design completion and phases of construction completion.
 - a. An estimate of proposed pre-development costs and statement of capacity to carry those costs, how those costs will be paid for and how they will be factored into the financing of the project;
 - b. Proposed schedule of performance that details each step in the development process starting from submission of the offer to final construction completion. Statement of the proposed financial structure, including penalties for lack of performance.
4. A proposed financing strategy for the overall proposed development, including a listing of all anticipated sources of construction and permanent financing. Offeror should provide sufficient detail for the District to determine the feasibility of the proposed financing plan, including:
 - a. Desired financial returns, including internal rate of return for each proposed land use;
 - b. Projected annual cash flow statement for the project, detailed to include estimated income and expenses, for a minimum of ten (10) years;
 - c. The methodology for determining the ground rent payment amount needed to ensure project financial feasibility; and
 - d. A proposed financing strategy for infrastructure and parking.
 - e. Satisfactory evidence of the Offeror's ability to secure financing for the project.

- f. Specifics as to the sequencing of the development process including the proposed sources and uses of funds (submitted on CD in Excel), including the timing of the funding commitments to the project.
- 5. A proposed financial structure between the Offeror and the District should assume the following:
 - a. Parcels owned (including air rights) will be either leased to Offeror through a long-term ground lease with the District retaining ownership or sold to Offeror at a price negotiated with the District. In general, parcel lease or purchase prices should be assumed to be equal to the fair market value of the parcel, adjusted to reflect the incorporation of various District, and community goals
 - b. In determining economic feasibility, Offeror shall take into account all available subsidies from other sources outside the District government and shall seek such other subsidies first to the greatest extent possible. Offerors shall outline any public subsidies included in the overall financial strategy, and shall identify whether or not the subsidy is required for a feasible development plan. In addition, the Offeror shall provide information regarding the likelihood and timing of such subsidy requirement.
 - c. Offeror shall submit a statement of public subsidy (local or Federal), if any, required to make the project financially feasible; and The extent of any private contributions or grants that have been obtained or will be required to complete or operate the project.
 - d. In the case of a long-term lease the cost of the ground lease will be negotiated using the same approach as the sales price negotiation described above.
 - e. Offeror may propose either a fixed price or base price plus contingent payments to the District.
 - f. Offeror may propose that the purchase price or ground rents be paid either as a lump sum or over time.
 - g. Offeror will be required to write a check for a negotiated amount at signing of LDA.

F. Certified Business Enterprise (“CBE”) Utilization and Local Small Disadvantaged Business Enterprise Participation - Offeror shall include the following:

1. A description of LSDBE equity and development participation in the project sufficient to demonstrate Offeror's firm commitment to meet or exceed a 20% LSDBE equity participation and 20% LSDBE development participation requirement. The Offeror must submit with its Offer a Letter of Intent, Memorandum of Understanding or other binding agreement with the 20% LSDBE equity and development partner(s) that at a minimum:
 - a. identifies the LSDBE equity and development partner(s);
 - b. states the percentage of equity and development participation of each LSDBE partner;
 - c. describes the role and scope of work of each LSDBE partner; and
 - d. includes anti-dilution language regarding equity and development participation for the benefit of the LSDBE partner(s) and to be applied at all stages of the project.
 - e. description of Certified Business Enterprise ("CBE") contracting participation in the project sufficient to demonstrate Offeror's commitment to meet or exceed a 40% CBE contracting and procurement requirement. Prior to and as a condition of execution of the land disposition and development agreement, the selected Offeror will be required to sign a Certified Business Enterprise Utilization and Participation Agreement with the D.C. Department of Small and Local Business Development that outlines the specific contracting requirements and the specific efforts the selected Offeror must make to fulfill these requirements.

Any Offer that fails to contain a Letter of Intent, Memorandum of Understanding or other binding agreement with the 20% LSDBE equity and development partner(s) will be deemed a non-responsive offer.

G. First Source Hiring Offeror shall include the following:

1. Provide reasonable projections of the permanent and temporary jobs that will be created for District residents (especially residents from Lincoln Heights, Richardson Dwelling and Deanwood) during the redevelopment and reuse of the Properties and what specific efforts will be made to recruit District residents for these newly created jobs. The selected Offeror will be required to sign a First Source Hiring Agreement with the D.C. Department of Employment Services. Selected Offeror must enter into a First Source Agreement with the District that contains a commitment that at least 51 percent of new jobs created as a result of the development will be filled by District residents.
2. Offerors may be required to develop and implement a local apprenticeship program under D.C. Code §§ 32-1401 *et seq.* 2006.

3. Offeror shall describe successful efforts on previous projects to promote local hiring.

6. SELECTION PROCESS AND EVALUATION CRITERIA

6.1 Selection Process

6.1.1 The ODMPED will determine whether each offer received in response to this Solicitation is a Responsive Offer. For any offer that is considered to be non-responsive, the Offeror will be notified in writing within ten business days after the date of submission. The decision of ODMPED in this regard is final and will be explained to the Offeror upon request.

6.1.2 A community meeting will be conducted during which the Offerors will present their Responsive Offers to the public and the public may provide feedback to the Selection Panel for its consideration. Throughout the development process, the selected Offeror will be responsible for reviewing and discussing progress on various elements of implementing the project with the area ANC (7C) and the community as a whole.

6.1.3 A Selection Panel will be established to review and evaluate the Responsive Offers and to select one or more of the Responsive Offers. The composition of the Selection Panel will be determined by the District, in its sole discretion. At minimum the Selection Panel will consist of members from among the following agencies:

- Office of the Deputy Mayor for Planning & Economic Development
- Office of Planning
- Department of Small and Local Business Development

In addition, the Selection Panel may consult with DMPED consultants for technical assistance.

6.1.4 The Selection Panel will evaluate each Responsive Offer taking into account the information requested in this Solicitation, the goals of the New Communities Initiative, Great Streets Initiative and the Deanwood Strategic Redevelopment Plan (Draft, October 2007) and the best interests of the Greater community.

6.1.5 Based upon Solicitation responses, the District, in its sole and absolute discretion, may choose to:

- Request more detailed information before final Offeror(s) selection;
- Require oral presentations by Offerors;
- Select a short list of Offerors and require additional information from the short-listed Offerors;
- Enter into exclusive negotiations with one or more selected Offeror (s) without requesting more detailed information or selecting a short list of Offerors;

- Request more detailed information leading to final Offeror (s) selection; or
- Take no action on the responses received.

6.1.6 In its sole and absolute discretion, the selection panel will select, one or more Responsive Offers and submit a written recommendation to the Deputy Mayor, who will in turn, make a written recommendation to the Mayor. It is in the Mayor's absolute discretion, to accept the Selection Panel's recommendations. Upon recommendation by the Selection Panel, and if selected by the Mayor, ODMPED shall notify the selected Offeror(s).

6.2 Evaluation Criteria

The District will evaluate responses to this Solicitation for completeness, feasibility, innovation, and the strength of the financial proposal. The basis upon which Offerors will be measured includes:

Qualifications and Experience of Offeror

The District will more highly rate Offerors who:

- Demonstrate through company experience and staff expertise that they are qualified to execute the delivery of a development opportunity of this magnitude;
- Have demonstrated experience in development and construction of municipal facilities such as public libraries and public schools;
- Have demonstrated experience in development of residential housing, including affordable housing; and
- Have successfully served in master developer role for completed projects which included a mix of municipal facilities and residential uses.

Project Vision, Benefits, and Development Approach

The District will more highly rate Offerors who:

- Can articulate their creative vision for the implementation of a high quality mixed-use development program.
- Are able to incorporate and build upon the community's vision, and the District's policy goals;
- Can immediately mobilize and commence predevelopment upon designation and are able to sustain involvement throughout the duration of the project; and
- Can outline an approach to coordinating with surrounding landowners so as to mitigate the negative impact of any potential development.

Project Financial Feasibility and Development Team Financial Capacity

The District will more highly rate Offerors who:

- Can demonstrate the financial feasibility of their development concept;
- Have the financial resources to complete a development project of this magnitude
- Demonstrate a willingness to provide the District with fair consideration for its real property assets.

Community Benefits, CBE Commitment, Stakeholder Engagement, and Community Outreach

The District will more highly rate Offerors who:

- Have demonstrated the ability to provide community benefits and execute an outreach and engagement strategy on previous projects;
- Can develop an engagement and outreach strategy that is specific to the community stakeholders involved in the Strand Theater Redevelopment project;
- Ensure ample benefits accrue to CBEs, Ward 7 residents and businesses, and the surrounding community.

6.3 Project Review

Required design review meetings will be scheduled after selection between the ODMPED, Office of Planning and the selected Offeror(s) and its consultants. In addition, the selected Offeror(s) must arrange and participate in at least one community forum held in the vicinity of the project site prior to Offeror's preparations of final building permit drawings. During the duration of the redevelopment, the Offeror will also be expected to participate in periodic meetings with the community to provide updates on the progress of the development and to respond to questions from the community.

6.4 Timeline

The District will endeavor to follow the timetable set forth below (all days are calendar days unless otherwise noted); however, the activities and timetable represented below are a guideline only and are subject to change in the District's sole discretion and without prior notice:

Issuance of Solicitation:	November 16, 2007
Pre-Bidders Conference:	December 12, 2007
Proposals Due to ODMPED:	January 7, 2008
OMPED Short List Recommendations:	January 16, 2008
Offeror Interviews (If Requested):	January 21-25, 2008
Community Presentation:	Week of January 28, 2008; Exact date TBD
Best and Final Offers Due:	Within 14 days after the community presentation
Selection Notification:	February 2008

Offerors are required to deliver their response, an original and **six (6)** printed copies, as well as a CD containing the response in an electronic format, to:

ATTENTION: Ayris Scales – Project Manager
Office of Deputy Mayor for Planning & Economic Development
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 317
Washington, D.C. 20004
ayris.scales@dc.gov

6.5 Pre-Proposal Conference

A pre-proposal conference will be held on December 12, 2007. Details regarding location and timing of the pre-proposal conference will be posted on the DMPED website no later than December 3, 2007 at (<http://dcbiz.dc.gov>).

6.6 Questions

Any questions regarding this Solicitation should be submitted via e-mail to ayris.scales@dc.gov. Questions will be accepted until 4:00 p.m. on the date of the pre-offeror's conference. Offerors shall not direct questions to any other person affiliated directly or indirectly with the District except as allowed elsewhere in this solicitation. All questions and their responses will be collated and posted on the ODMPED website within (10) ten business day following the pre-offeror's conference.

6.7 Award

Following receipt of notification from ODMPED of the selection ("Selection Notification"), the selected Offeror(s) shall execute a right of entry permit with ODMPED to allow the selected Offeror(s) to begin its due diligence and site studies.

The District, through ODMPED, and the selected Offeror shall negotiate a land disposition and development agreement, which shall incorporate the requirements contained in this Solicitation and such other terms as agreed to by ODMPED and the selected Offeror(s). Upon completion of the parties' negotiation, ODMPED will recommend such Offeror, and upon the terms of the proposed land disposition and development agreement to the Mayor. If the Mayor agrees with ODMPED's recommendation, then the Mayor, in his sole and absolute discretion, may submit the proposed land disposition and development agreement to the Council of the District of Columbia ("Council") as the method of disposition of the property to the Offeror. In accordance with D.C. Official Code § 10-801 (2006 Supp.), the District is not authorized to dispose of the property unless and until first authorized by the Council.

If the District and the selected Offeror(s) are unable to agree on the final terms of a land disposition and development agreement within 90 days after the date of the Selection Notification, ODMPED, in its sole and absolute discretion, may terminate negotiations and select a different Offeror from among the Offerors who submitted offers, re-issue this Solicitation or take such other measures as it deems reasonable, appropriate or necessary.

Once approved by Council, the District and the selected Offeror shall execute the proposed land disposition ground lease and development agreement, whereupon Offeror shall submit to the District a deposit or line of credit in the amount of \$20,000, in the

form of a letter of credit. The deposit shall secure Offeror's performance in accordance with the land disposition or ground lease and development agreement and will be held by the District through Offeror's successful completion of construction of the project. A performance guaranty, which will guaranty completion of the project, may also be required.

In the event the disposition of the properties is through a sale, settlement on the District's sale to Offeror shall be held no later than 12 months after the date of execution of the land disposition and development agreement; provided, however, that settlement shall not be held until Offeror has received design review approval from the District and has obtained all permits required under Section 105A of Title 12A of the DCMR to commence construction (and such other conditions as may be agreed between the parties).

6.8 No Conflicts of Interests

In its response to this solicitation, Offeror should represent and warrant the following to the District:

1. The compensation to be requested, offered, paid or received in connection with this solicitation has been developed and provided independently and without consultation, communication or other interaction with any other competitor for the purpose of restricting competition related to this solicitation or otherwise.
2. No person or entity employed by the District or otherwise involved in preparing this solicitation on behalf of the District (i) has provided any information to Offeror which was not also available to all entities responding to this solicitation, (ii) is affiliated with or employed by Offeror or has any financial interest in Offeror, (iii) has provided any assistance to Offeror in responding to this solicitation, or (iv) will benefit financially if Offeror is selected in response to this solicitation.
3. The Offeror has not offered or given to any District officer or employee any gratuity or anything of value intended to obtain favorable treatment under this solicitation or any other solicitation or other contract, and Offeror has not taken any action to induce any District officer or employee to violate the rules of ethics governing the District and its employees. Offeror has not and shall not offer, give or agree to give anything of value either to the District or any of its employees, agents, job shoppers, consultants, managers or other person or firm representing the District, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing. Any such conduct shall be deemed a violation of this solicitation. As used herein, "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by this solicitation, if any, or any other contract with the District), etc., which might tend to obligate a District employee to Offeror, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or

business opportunity. Such term shall not include work or services rendered pursuant to any other valid District contract.

4. The Offeror shall report to the District directly and without undue delay any information concerning conduct which may involve: (a) corruption, criminal activity, conflict of interest, gross mismanagement or abuse of authority; or (b) any solicitation of money, goods, requests for future employment or benefit of thing of value, by or on behalf of any government employee, officer or public official, any Offeror employee, officer, agent, subcontractor, or labor official, or other person for any purpose which may be related to the procurement of this solicitation by Offeror, or which may affect performance in response to this solicitation in any way.
5. Neither Offeror or any subcontractor or affiliate thereof, nor any employee of any of them, shall retain any material or items of any kind salvaged from the property at issue in this solicitation as memorabilia or souvenirs or otherwise.

7. Reservation of Rights and Miscellaneous Provisions

7.1 The District reserves the right to:

- a. Cancel or withdraw the Solicitation prior to or after the submission deadline;
- b. Modify or issue clarifications to the Solicitation prior to the submission deadline;
- c. Reject any submission it deems incomplete or unresponsive to the submission requirements;
- d. Consider a submission that is in noncompliance with the submission requirements;
- e. Reject all submissions that are submitted under the Solicitation
- f. Modify the deadline for submissions or other actions;
- g. Reissue the Solicitation, a modified Solicitation, or a new Solicitation whether or not any submissions have been received in response to the initial Solicitation issuance.

The District may exercise one or more of these rights, in its sole discretion, as it may deem necessary, appropriate, or beneficial to the District.

7.2 Notice of Modifications

The District may post on its website (<http://dcbiz.dc.gov>) notices or information regarding cancellations, withdrawals, modifications to deadlines, and other modifications to this Solicitation. Offerors shall have an obligation to check the website for any such notices and information, and the District shall have no duty to provide direct notice to Offerors.

7.3 Change in Offeror Information

If information provided in a submission changes (e.g., change or addition to any of the Offeror's team members or new financial information), the Offeror shall provide updated

information in the same format for the appropriate section of the Solicitation and the District may consider the modified submission.

7.4 Ownership and Use of Submissions

All submissions shall be the property of the District. The District may use any and all ideas in any submission, whether the submission is selected or rejected.

7.5 Restricted Communications

Upon release of this Solicitation and until selection of an Offeror, Offerors shall not communicate with ODMPED staff about the Solicitation or issues related to the Solicitation except as authorized in this Solicitation.

7.6 Non-Binding

The selection by the District of a Developer indicates only intent by the District to negotiate with the Developer and the selection does not constitute a commitment by the District to execute a final agreement or contract with the Developer.

7.7 Confidentiality

Submissions and all other information submitted in response to this Solicitation are subject to the District's Freedom of Information Act (D.C. Official Code § 2-531 et seq.) ("FOIA"), which generally mandates the disclosure of documents in the possession of the District upon the request of any person, unless the content of the document falls within a specific exemption category. An example of an exemption category is "trade secrets and commercial or financial information obtained from outside the government, to the extent that disclosure would result in substantial harm to the competitive position of the person from whom the information was obtained."

If an Offeror provides information that it believes is exempt from mandatory disclosure under FOIA ("exempt information"), the Offeror shall include the following legend on the title page of the submission:

THIS PROPOSAL CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE DISTRICT'S FREEDOM OF INFORMATION ACT

In addition, on each page that contains information that the Offeror believes is exempt from mandatory disclosure under FOIA, the Offeror shall include the following separate legend:

THIS PAGE CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE DISTRICT'S FREEDOM OF INFORMATION ACT

On each such page, the Offeror shall also specify the exempt information and shall state the exemption category within which it believes the information falls.

Although ODMPED will generally endeavor not to disclose information designated by the Offeror as exempt information, ODMPED will independently determine whether the information designated by the Offeror is exempt from mandatory disclosure. Moreover, exempt information may be disclosed by ODMPED, at its discretion, unless otherwise prohibited by law, and the District shall have no liability related to such disclosure.

7.8 Non-Liability

By participating in the Solicitation process, the Offeror agrees to hold the District, its officers, employees, agents, representatives, and consultants harmless from all claims, liabilities, and costs related to all aspects of this solicitation.

Appendix A

Site Map Lincoln Heights Planning Area



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Appendix B

Deanwood Planning Area

